#### SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Philippines	Project Title:	Health System Enhancement to Address and Limit COVID-19
Lending/Financing Modality:	Project Loan	Department/ Division:	Southeast Asia Department/Human and Social Development Division

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Poverty targeting: General intervention

A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy The HEAL will fund critical investments to strengthen the Philippines' health system and improve its responsiveness to health security threats by expanding medical services to improve testing, control, care, and treatment for COVID-19-affected population. It will operationalize the following key priorities of the National Action Plan for COVID-19 and the Inter-Agency Contingency Plan for Emerging Infectious Diseases: (i) increase the country's diagnostic capacity to determine the presence of COVID-19 in patients; (ii) enhance infection control measures in hospitals and other health facilities; and (iii) expand treatment capacity for COVID-19 cases. HEAL will contribute to the government's overarching development objectives articulated in the Philippine Development Plan, 2017-2022 for: (i) more inclusive growth by lowering poverty incidence; (ii) reducing vulnerability of individuals and families; and (iii) accelerating infrastructure development with specific reference to social infrastructure and health facilities.<sup>a</sup> It aligns with the DOH National Objectives for Health, which aim to have a more responsive health system and equitable healthcare financing.<sup>b</sup> Broadly, the loan will contribute to the achievement of SDG 1 (no poverty), 3 (health and wellbeing for all), 5 (gender equity), and 10 (reduce inequality). It will support the ADB Strategy 2030 operational priorities 1 (addressing remaining poverty and reducing inequalities), 2 (accelerating progress in gender equality), and 6 (strengthening governance and institutional capacity). It will operationalize the third pillar of ADB's Philippines Country Partnership Strategy 2018–2023 on investing in people through human development and social protection.d

# B. Results from the Poverty and Social Analysis during PPTA or Due Diligence

- 1. Key poverty and social issues. The poverty rate in the Philippines declined from 25.2% in 2012 to 23.3 % in 2015, and to16.6% in 2018. Despite this decline, the absolute poverty and the risk of vulnerability remain high. Based on 2018 data on pre-COVID-19 poverty estimates for 2020, there were 5.7 million poor and near-poor families or 31.8 million individuals. Nearly 17.6 million people continue to live under the poverty line and 14.2 million just above the line, who are vulnerable to sliding back into poverty. The key causes of poverty and vulnerability include high inequality of income, underinvestment in human capital, catastrophic health expenditure, frequent disasters (naturaland human-induced), adverse effects of climate change, and conflict in certain areas. Poor families lack easy access to good quality public services and social protection, particularly education and health, resulting in inter-generational transfer of poverty. Catastrophic expenditure and health impoverishment pushed 0.8% or 0.8 million individuals (at \$1.9 in 2011 PPP) and 1.4% or 1.5 million individuals (at \$3.1 in 2011 PPP) below the poverty line. The Philippines' 2016 Health or Disability-Adjusted Life Expectancy indicate 59.1 years for males and 64.5 years for females at birth. Further, the Philippines' UHC coverage index was recorded at 61, behind most of its ASEAN counterparts. Broadly, there continues to be inequitable access to quality healthcare services in the Philippines, which results in poor health outcomes, and persistence of poverty and inequality. The COVID-19 pandemic has exacerbated these structural challenges. With COVID-19 community mitigation measures (such as the enhanced community quarantine) and economic disruptions, absolute poverty is at risk of increasing in the short-term due to the weak labor market, critical food shortages, reduced or eliminated household earnings, and a drastic decline in remittances. Over the mediumterm, a slow economic recovery risks raising unemployment levels and suppressing earnings in the informal sector further as new labor market entrants outnumber the new jobs created. Structural poverty may persist and worsen as the access of poor families to social services is reduced and the total number in critical need of these services increases rapidly and exponentially. ADB estimates that 37% of the population will fall below the poverty line with COVID-19, compared to 26% without. Near poor, defined as individuals in households whose annual per capita income fall between 1 and 1.2 times the poverty line, will increase to 10.3%, compared to 9.9% before COVID-19.h 2. Beneficiaries. HEAL will benefit those who have either been affected or may be affected by the COVID-19
- epidemic, directly or indirectly, across income levels, in particular, the poor and vulnerable segments of the society and the health frontline workers. It will upgrade disease surveillance and diagnostics, expand infection prevention and control measures, and treatment capacity of public health facilities that largely cater to healthcare needs of the poor and vulnerable, while protecting the health workers from contracting the virus.
- 3. **Impact channels.** HEAL will provide infrastructure investment for selected at least 10 DOH hospitals, and equip 70 DOH hospitals, 33 other hospitals, and national and subnational refere laboratories with the necessary COVID-19 equipment and isolation rooms in the short- to medium-term. This will enhance the capacity of the public health system to address the country's weak health system, further strained by the COVID-19 epidemic, and be able to efficiently respond to the health care needs of affected population nationwide.
- 4. Other social and poverty issues. Business establishments, firms, services, flow of goods and agricultural

products, as well other livelihood and income generating activities, particularly for the poor and vulnerable segments, are adversely affected by COVID-19 community quarantine measures. These measures have deprived not only the poor, but also thousands of informal sector workers, including daily wage earners, of their livelihoods. Consequently, they and their families are finding it difficult to pay for food, medicines, and other basic necessities.

5. **Design features.** The loan of \$125 million will support investments to help strengthen the Philippine health system to address public health security threats by: (i) rapidly upgrading disease surveillance and diagnostic capacity; (ii) expanding IPC measures; and (iii) scaling up treatment capacity of COVID-19. HEAL will increase the health system capacity to provide access to quality testing, IPC and treatment for all Filipinos not only for COVID-19 but also for future health threats. ADB will continue to support PHIC through ongoing technical assistance to expand its coverage including COVID-19, which will minimize the health financial risk, particularly for the poor.

## PARTICIPATION AND EMPOWERING THE POOR

- 1. Participatory approaches and project activities. The proposed HEAL will strengthen the Philippines' health system and its capacity to halt the spread of COVID-19 by increasing access to quality health services and treatment including the poor and vulnerable groups. ADB will continue its efforts to support PHIC to expand the health insurance coverage particularly of the poor and disadvantaged groups.
- 2. Civil society organizations. NA.
- 3. The following forms of civil society organization participation are envisaged during project implementation:

NA Information gathering and sharing NA Consultation NA Collaboration NA Partnership

4. Participation plan. 

Yes. ⊠ No.

#### GENDER AND DEVELOPMENT III.

Gender mainstreaming category: effective gender mainstreaming

- A. Key Issues. Key gender issues with COVID-19 include:(i) lack of gender analysis of data, which precludes a design of gender-responsive measures to prevent, contain, and mitigate threat of infection; (ii) healthcare workers (75% women) are disproportionately at risk of getting infected (with infected healthcare workers comprising 13% of all confirmed cases, the Philippines is already considered by the WHO as an outlier in terms of infection of healthcare workers) and this is due, among others, to lack of sufficient or appropriate PPE, especially for female healthcare workers, who have to wear ill-fitting PPE designed for the male body; (iii) mental health issues arising especially among frontline workers who have to juggle roles as parents/caregivers and frontline workers; (iv) maternal and child healthcare services taking a back seat in the urgency of the COVID-19 response where peak-time critical COVID-19 cases alone require attention of approximately 21% of healthcare workers; this is over and above the regular workload of healthcare workers and has led to maternal and child mortality/morbidity, with fatality rates currently at 5.27%; (v) lack of gender-sensitive and inclusive health care provision due to the lack of appropriate facilities and protocols for COVID-19 patients, especially for women, children, persons of diverse sexual orientation, gender identity and expression, and other vulnerable groups; and (vi) increasing number of gender-based violence cases where 1 in 4 women have experienced spousal violence in the country even before COVID-19.
- B. Key Actions. HEAL proposes to address the key gender issues by (i) ensuring that the PPE procured under the project come in styles appropriate for male and female staff of all sizes, including pregnant women.); (ii) increasing capacity of healthcare workers to (a) prevent and control intra-hospital infection transmission to children and pregnant women, (b) detect and assist victims of gender-based violence, and (c) provide gender-responsive and social-inclusive healthcare through the development of protocols/guidelines and training; (iii) ensuring that new and retrofitted infrastructure contain gender-responsive design features such as breastfeeding rooms, family spaces, separate toilet and shower facilities; and (iv) ensuring that national health and safety protocols are gender-sensitive. HEAL will be supported by a gender specialist as part of the technical support unit for implementation and an external gender and public health communication resource. All actions taken by HEAL will disaggregate data by sex and age where possible, and seek to collate feedback from project recipients through online surveys of particular groups such as: (i) healthcare workers on the appropriateness of PPE supplies and feminine hygiene products, and (ii) laboratory technicians on lab design features. Quarterly gender analysis of COVID-19 will also be undertaken.

#### ☐ Gender action plan ☐ Other actions or measures ☐ No action or measure ADDRESSING SOCIAL SAFEGUARD ISSUES A. Involuntary Resettlement Safeguard Category: C 1. **Key impacts.** HEAL will primarily support the procurement of healthcare and laboratory equipment to strengthen COVID-19 response capacities of participating hospitals. The installation of new isolation facilities in 12 DOH hospitals may require minor civil works on existing hospital compounds. No land acquisition or resettlement impacts are envisaged. 2. Strategy to address the impacts. No impact is expected. 3. Plans or other actions Combined resettlement and indigenous peoples plan Resettlement plan Resettlement framework Combined resettlement framework and indigenous

☐ Environmental and social management system

arrangement

peoples planning framework Social impact matrix

No action

3. Indigenous Peoples Safeguard Category: C				
1. Key impacts.				
The proposed project will not have any direct or indirect impacts on the dignity, human rights, or cultural resources				
that indigenous peoples own, use, occupy, or claim as an ancestral domain or asset.				
Is broad community support triggered?   Yes	⊠ No			
2. Strategy to address the impacts. NA.				
3. Plan or other actions.				
☐ Indigenous peoples plan	Combined resettlement plan and indigenous			
☐ Indigenous peoples planning framework	peoples plan			
☐ Environmental and social management system	☐ Combined resettlement framework and indigenous			
arrangement	peoples planning framework			
☐ Social impact matrix	☐ Indigenous peoples plan elements integrated in			
No action	project with a summary			
V. ADDRESSING OTHER SOCIAL RISKS				
A. Risks in the Labor Market				
1. Relevance of the project for the country's or region's or sector's labor market: <b>H</b> .				
☐ unemployment ☐ underemployment ☐ retrenchment ☐ core labor standards				
2. Labor market impact. The general improvement in the overall health and well-being of the population will result in				
resumption of economic activities and access to the labor market including for those working in the informal sector.				
B. Affordability. NA				
C. Communicable Diseases and Other Social Risks:				
1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):				
(H) Communicable diseases (L) Human trafficking □Others (please specify)				
2. Risks to people in project area.				
The rapid spread of COVID-19 is a public health security risk, which may lead to mass infection, serious illnesses				
and death, poverty and hunger leading to social unrest or dismantling of social cohesion.				
VI. MONITORING AND EVALUATION				

- 1. **Targets and indicators.** The project DMF provides indicators and targets. M&E will draw regularly on both qualitative and quantitative data for measuring progress towards achieving outcome and output targets. To the extent possible, data will be disaggregated by sex for the outcome and some output indicators.
- 2. **Required human resources.** One full-time national health consultant and a part-time gender consultant will be engaged under the project for monitoring and evaluation of activities.
- 3. **Information in the project administration manual.** DOH as the implementing agency will prepare and submit: (i) quarterly and annual progress reports; (ii) semi-annual safeguards monitoring reports; (iii) a midterm progress report on project outcome and outputs; and (iv) a completion report covering achievements, results of project activities, and a preliminary assessment of achieved benefits.
- 4. **Monitoring tools.** Monitoring tools include COVID-19 situation reports, response updates, project progress and delivery reports, performance monitoring system, spot checks, and impact evaluation.

ADB = Asian Development Bank, ASEAN = Association of Southeast Asian Nations, COVID-19 = coronavirus disease, DMF = design and monitoring framework, DOH = Department of Health, HEAL = Health System Enhancement to Address and Limit COVID-19, IPC = infection prevention and control, M&E = monitoring and evaluation, NA = not applicable, PHIC = Philippine Health Insurance Corporation, PPE = personal protective equipment, PPP = purchasing power parity, SDG = Sustainable Development Goals, UHC = Universal Health Care, WHO = World Health Organization.

- <sup>a</sup> National Economic and Development Authority. 2017. Philippine Development Plan 2017–2022. Pasig City.
- <sup>b</sup> DOH. 2018. *National Objectives for Health Philippines 2017*–2022. Manila.
- <sup>c</sup> ADB. 2018. <u>Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific.</u> Manila.
- <sup>d</sup> ADB. 2018. Philippines, 2018–2023—High and Inclusive Growth. Manila.
- <sup>e</sup> Philippine Statistics Authority (PSA). Philippine Poverty Statistics.
- PSA. Philippine National Health Accounts; and World Bank. World Development Indicators.
- <sup>9</sup> WHO. 2019. Primary Health Care on the Road to Universal Health Coverage. 2019 Monitoring Report. Geneva. HALE/DALE, a more comprehensive and nuanced indicator measuring both quantity and quality of life, has been used to estimate the phenomenon where advances in health care allow people to live longer, but unable to restore people to full health and productivity.
- <sup>h</sup> ADB. *forthcoming*. Poverty Impact of COVID in the Philippines. Manila.

Source: Asian Development Bank.